

STATEMENT OF PURPOSE

RS19507

Article VIII, Section 3, of the Idaho Constitution restricts political subdivisions of the state from incurring multiyear debts and liabilities. In 2006, the Idaho Supreme Court rendered a decision in *City of Boise v. Frazier*, 143 Idaho 1 (2006), that addressed the "ordinary and necessary" exception to the required voter approval contained in Article VIII, Section 3.

This amendment creates a new Section 3E to allow political subdivisions and regional airport authorities operating an airport to incur debt without voter approval, so long as the debt is payable solely from airport revenues and no tax funding is pledged or put at risk for the repayment. The new Section 3E deems airport projects, acquisitions, and facilities to be "public purpose."

No debts or liabilities incurred under this section can ever be secured by the taxing power of the subdivision operating the airport. No tax dollars can be implicated or pledged for any debts under the new section.

FISCAL NOTE

There will be a fiscal impact on the state general fund for the cost associated with adding this amendment to the general election ballot in the amount of approximately \$35,000 to \$40,000.

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